

Contracting Directorate

**United States Military
Training Mission**

**Blanket Purchase
Agreement (BPA)
Handbook**

December 2001

December 2001

MEMORANDUM FOR USMTM CUSTOMERS

FROM: Directorate of Contracting

SUBJECT: Blanket Purchase Agreement (BPA) Handbook

1. This BPA Handbook is designed to provide a snapshot of valuable information that will enable our customers to efficiently use the BPA to purchase their requirements. This handbook will be used in conjunction with training provided by the Contracting Directorate. After all, our customer is our number one priority. The attached package will assist you in the planning, preparation, and purchasing to ensure timely mission and contracting support. Personnel from within my directorate are also available to work directly with those individuals of your organization who are involved in the acquisition process.
2. I am proud to be on the United States Military Training Mission (USMTM) team and leading an outstanding group of professionals. Customer satisfaction is one of our primary goals—we are here to serve. Please contact me at 435-7037 with any questions.

ANDREW C. OBERMEYER, Major, USAF
Director of Contracting

BLANKET PURCHASE AGREEMENT (BPA) USER INSTRUCTION AND GUIDELINES

TABLE OF CONTENTS

SECTION I – INTRODUCING THE BLANKET PURCHASE AGREEMENT (BPA)

SECTION II – BPA MONITOR RESPONSIBILITIES

SECTION III – THE DUTIES OF AN “AUTHORIZED CALLER”

SECTION IV – SETTING UP YOUR FILES

SECTION V – CALL NUMBER REGISTER

SECTION VI – MONTHLY REPORT FOR BPA

SECTION VII - INSPECTIONS

BLANKET PURCHASE AGREEMENT (BPA) USER INSTRUCTION AND GUIDELINES

SECTION I -- INTRODUCING THE BLANKET PURCHASE AGREEMENT

1. The Contracting Office has many methods of contracting for the goods and services our customers (you) need. The Blanket Purchase Agreement is one of those methods. A Blanket Purchase Agreement, or BPA, is a simplified method of filling anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply. BPAs are designed to reduce administrative costs in accomplishing small purchases by eliminating the need for issuing individual purchase documents. In other words, you use BPAs when you know you are going to need a basic requirement over and over, but can't say for sure when or how many of the items will be required. A good example would be medical supplies or automobile parts.
2. A BPA is an agreement between the government and a contractor, which sets the stage for us to buy something quickly. All of the conditions of sale are negotiated when the BPA is initially established, so the contractor knows up front the kind of item(s) we will be buying, and we know how much it's going to cost us for each item we buy.
3. There are two types of BPAs, **Decentralized and Centralized**. Decentralized BPAs are for simple purchases under the micropurchase threshold (\$2,500 = SR9375) and allows you to place calls to the contractor, but **prior** to any actions on your behalf, a recommendation from your Directorate must be sent to the Contracting Office and **training** by the said office must take place. Centralized BPAs are only for the Contracting Personnel to place calls that are normally for requirements over the micropurchase threshold.
4. BPAs are often "decentralized" and that is when you come into the picture. As a BPA Monitor for your organization, you will be figuring out what your organizations' requirements are, and you will be placing the call(s) to the contractor to request pickup or delivery of those items. How you place that call, what your specific responsibilities are, and what paperwork you will have to complete, is explained in the following sections. By following these instructions, you can help your organization complete its mission and avoid the normal lead-times for purchasing repetitive items.

SECTION II - BPA MONITOR RESPONSIBILITIES

There is no getting around it; Contracting is always in the spotlight because we are spending the taxpayer's money. Because of that, Contracting has a great deal of paperwork and many regulations. As a BPA monitor, you too will be entrusted to spend the taxpayer's money. That's why it's extremely important you learn your responsibilities well and follow the instructions in this guide exactly. Your responsibility to the government and your unit is to spend money properly, wisely, and provide a perfect tracking of all expenditures. This guide will help you do that.

1. **KNOW THE BPA:** Read and know the BPA before using it. Know what goods or services the contractor is offering to provide and how deliveries work. Each BPA will have a price list identifying those items available under the agreement. **Only those items on the price list can be ordered under the BPA.**

2. **AUTHORIZED CALLERS:** Usually, more than one person will be authorized to place calls against a BPA. The customer organization must select the individuals it wishes to have assigned to place the orders and provide their names in writing to the Contracting Officer (CO). An authorization list will be included in your BPA and will identify each person, by name or position title, which may place calls against the BPA. The list is also provided to the contractor. If a person is not an "authorized caller" designated in writing by the CO, he/she **CANNOT** place calls.

3. **MAINTAIN RECORDS:** It is extremely important you keep accurate records. Auditors, inspectors, even Congress, frequently review contractual documents. Be accurate. If you have more than one person making calls against the BPA, one person needs to control the records to ensure everything is correctly recorded.

4. **MAINTAIN FUNDING LEVEL:** The CO will provide a copy of a funding document (i.e. AF Form 616) for your BPA file. This funding document is the form you, the customer, initially sends to the Budget Office (Accounting & Finance) for funds certification; and also pertains to amendments thereof. **NEVER** allow a call to be placed if there are **INSUFFICIENT** funds to pay the bill. Don't take for granted the money will be made available after the call. Later in this guide when we talk about maintaining call registers, you will see that you need to keep a running total of available funds. Keep in mind that funds do not always roll over into the following month (i.e. end of quarters or end of fiscal year). Always keep an eye on this figure. It is **your responsibility** to coordinate with your supporting Resource Advisor, Budget Office, or Accounting and Finance Office to determine the amount of funds that are available to obligate for your BPA. **DO NOT** spend money you do not have; it is a violation of the Anti-Deficiency Act. This would result in an unauthorized commitment of Government funds and you could be held personally responsible for the bill.

5. **REVIEW PRICE LISTS:** Contractors will provide us with a price list(s), which we review, and if approved by us (i.e. signed by a Contracting Officer), a copy will be sent to you for inclusion in your BPA. Make sure you review the price list too. Know the prices you will be charged for each item and verify those prices when deliveries are made. Look out for price changes. **NEVER** use an expired price list, or a price list that has not been **APPROVED** by the Contracting Officer.

6. **COMPETITION:** Often the contracting office will establish two BPAs for the same items. This is done for two reasons, first to provide for the competition requirements mandated by our regulations, and secondly, to provide an alternate source in case one contractor cannot support your requirements. You must compare prices before placing your call and order from the contractor offering the lower prices. If both contractors charge basically the same price for an item, then you should alternate ordering from the two BPAs. If the prices are not close, and you order from the higher priced BPA, you must document the file to explain why.

7. **RECEIPT FOR DELIVERIES:** Two things to remember: (1) the person who places the call should not take receipt of the item(s) ordered. This is a firm rule; it will help avoid any potential for collusion or conflict of interest; and (2) always check the item(s) delivered before signing for them. Once you sign for the item(s), they are bought, so be careful of what you're signing for.

SECTION III - THE DUTIES OF AN "AUTHORIZED CALLER":

The right to purchase goods and services for the United States Government is closely controlled and monitored to ensure the taxpayer's dollars are spent wisely. The "right" to purchase comes directly from the U.S. Constitution and supplemented by the Federal Acquisition Regulation. These laws give the right to purchase for the government to a few selected individuals. By being selected as an "authorized caller", you assume a number of very important responsibilities. Let's review some of them:

1. **SAFEGUARD FUNDS:** You are charged with ensuring funds are spent wisely. Make sure you buy from the source that gives the most for the money. Do not buy what is not needed and challenge what does not seem right.

2. **COMPETE YOUR BUYS:** Often you will have two BPAs to place calls against. Check the prices on both and place your call against the one with the lower price. Remember to document your file if you choose the higher priced BPA.

3. **AVOID IMPROPRIETY:** Do not accept gratuities or discuss future requirements with contractors. If you place the call, ensure someone else signs for the delivery.

4. **BE A WATCHDOG:** Report any suspicious activities. Report any suspected Fraud, Waste and Abuse.

5. **KNOW YOUR LIMITATIONS:** Know what you can and cannot order under each BPA. Know what your dollar limitations are for each call, these can vary from BPA to BPA.

6. **KNOW WHAT THE BPA SAYS:** Know what the BPA includes and who to call to place orders. Know whom to call if something goes wrong.

Bottom line is to **KNOW WHAT YOU ARE DOING**. The obligation of government funds is a highly visible business with many watchdogs. "I didn't know" is not an excuse for violations. If you are not sure about something, then ask. It is easier to teach you again on something, than it will be to unravel a long, sad story later.

SECTION IV - SETTING UP YOUR FILES:

1. For every BPA you are using, you will need to build a separate file. This file is very important because it is the only way you have of accurately keeping a record of actions for each BPA. Follow these instructions and file maintenance will be easy and quick. Let's look at each part of your folder:

a. Start with an 8-part folder (available at the local office supply store or Contracting).

b. Label the folder with the following information:

(1) BPA number

(2) Contractor's name

(3) Expiration date of the BPA

(4) What the BPA is for (if there's room)

c. Establish the six parts of the folder as follows:

PART A: PRE-AWARD

This part contains the "initial" request from the using activity to the Contracting Office to write a BPA and should contain the Description of Agreement. This is

a statement that the supplier shall furnish supplies or services, described in general terms, if and when requested by the Contracting Officer (or the authorized representative of the Contracting Officer) during a specified period and within a stipulated aggregate amount, if any. Also needed is, the vendor's name, address, telephone number, and point of contact.

PART B - AWARD

Tab 1 – Systems Generated Document (N/A for using activity's file)

Tab 2 – Modification(s)

Tab 3 – Basic BPA

Tab 4 – Distribution Checklist (N/A for using activity's file)

A signed copy of the BPA and any modification(s) by the Contracting Officer will be send to you as a file copy.

PART C – INSTRUCTION LETTERS

Tab 1 – Instructions to Finance

Tab 2 – Instructions to Using Activity

Tab 3 – Instructions to Vendor

Tab 4 – Personnel Authorized to Place Calls

A **current** list of personnel authorized to place calls against the BPA. When you have a turnover of personnel or new people are assigned to the job of placing calls, you need to ensure we know about it so we can schedule training. Send us a letter stating who should be added or deleted from the authorization list. We will send a letter to the contractor (with a copy to you) advising of the change. Copies of these letters should be filed in this part of your folder. Remember, only authorized callers appointed in writing by a CO may place calls. **NO ONE ELSE MAY PLACE CALLS.** If a quick change is required, call us, document your file, and send us a follow-up letter. The individual in charge of the unit should sign letters requesting authorization for individuals to place calls against a unit's BPA and forward them to the CO.

PART D – CONTRACT ADMINISTRATION

Tab 1 – Semi-Annual Reviews/Inspection

Tab 2 – General Correspondence/Documentation

Miscellaneous correspondence, (i.e. this instructional package could be filed here).

PART E – APPROVED PRICE LISTS

Tab 1 – Expired Price Lists

Tab 2 – Current Price List

A copy of the **most current** price list approved by the Contracting Officer. Every time we get a new price list, it will be reviewed, and if approved, a copy will be sent to you. Every price list should contain an expiration date. Make sure you have, and are using, a current price list. If your price list expires and you have not received a new one from us, call and we will get one for you. **DO NOT** place calls against an **expired** price list, or for items **not** listed on the price list.

PART F – PAYMENT/REPORTING RECORDS

Tab 1 – Payment Vouchers/Invoices (Contracting office copy only)

Tab 2 – Payment Record

Tab 3 – Call Registers

Tab 4 - Air Force (AF) Form 616

1. A Monthly Call Register that lists all calls (daily or weekly) placed against the BPA. This register is a monthly report that reflects all calls placed during the reporting period, the total line items, and total dollars obligated.
2. The Call Register must be maintained on a continuous basis. Every time you place a call, enter the appropriate data on the call register. Each month you need to send copies of the call register to the Contracting Office. If no monthly calls were placed, forward a negative reply (i.e. no calls were placed for the month of Oct xxxx).
3. The Monthly Report reflects total actions (calls or orders), line items, and total dollars obligated. You need to send this report to the Contracting Office no later than the 15th day during the current reporting period (i.e. the month you are placing calls).

SECTION V – INFORMATION REQUIRED ON CALL NUMBER REGISTER

1. If placing calls against a BPA, you must record them on a permanent register (see attachment 1). This helps you keep track of what you have ordered, it helps us monitor the use of the BPA, and Accounting and Finance uses it to pay the contractor on a monthly basis.
2. The register has several important uses so it is important you keep it current and accurate. We recommend using the attached BPA Call Register and provide the following information:

(a) BPA NUMBER - (example: F61800-99-AF001)

(b) NAME OF CONTRACTOR - (example: JOHN DOE CORP.)

(c) EXPIRATION DATE OF BPA

(d) TYPE OF SERVICES/SUPPLIES - (example: Equipment Repair, Office Supplies. This is the type of items you are ordering under the BPA)

(e) DATE FUNDING DOCUMENT WAS CERTIFIED BY FM - (i.e., AF Form 9, AF Form 616)

(f) AMOUNT OF FUNDS ALLOCATED TOWARDS THE BPA

(g) CALL NUMBER AND DATE OF CALL. Call numbers should begin with "0001" and go in consecutive order until the BPA **expires** or is **canceled**. Do **not** start over each month. **DO NOT DUPLICATE CALL NUMBERS**. A call number is issued each time a service or delivery is requested. **Use the date when you actually placed the call with the contractor.**

(h) NAME OF INDIVIDUAL PLACING CALL - (example: SSgt John Doe)

(i) DESCRIPTION OF SERVICE/SUPPLIES ORDERED - (The description of the line item which was ordered)

(j) EDD - Estimated Delivery Date (the date the item(s) are to be delivered or picked up)

(k) ADD - Actual Delivery Date (the actual date the item(s) are delivered or picked up)

(l) UNIT PRICE PER CALL - A price list approved by the Contracting Officer will be provided with the decentralized BPA. This information should be reported on the call register when the call is placed. If the item you require is not on the price list, **DO NOT PLACE THE CALL**. Never change a call register to match the invoice, if there is a difference call Contracting.

(m) EXTENDED PRICE PER CALL - Obtain this by multiplying the quantity ordered by the unit price. The extended amount of the call will be determined by using the unit price on the price list. Do not obtain prices from the contractor's invoice. This amount should be in both local currency and U.S. dollars, if not the same.

(n) BALANCE OF FUNDS - Make sure you keep track of the balance of funds available. **DO NOT MAKE ANY CALLS IF YOU DON'T HAVE ENOUGH MONEY.**

(o) PREPARED BY - The preparer must sign the call register. This signature certifies the information on the register is correct.

(p) ORGANIZATION/OFFICE SYMBOL - Enter your base, organization and office symbol. **DO NOT SKIP THIS BLOCK.**

(q) PHONE NUMBER - **DO NOT SKIP THIS BLOCK.**

3. Complete the call register and send a copy to Contracting and keep one copy for your file. Your call register must reach the Contracting Office no later than the 25th day of the month. If calls are placed up to the last day of the month, the call register **must** reach the Contracting Office no later than **three calendar days** of the following month (i.e. if a call was placed 31 October 01, the register must reach Contracting no later than 3 November 01). **Remember to start a new call register each month.**

NOTE: If no monthly calls were placed, you need to submit a negative report. A statement on the call register, "no calls made", will satisfy this requirement.

SECTION VI – MONTHLY REPORT FOR BPA

1. One other report the Contracting Officer will need from you is the monthly report, which reflects all calls made and total dollars obligated.

2. Like the call register, the monthly report has several important uses, so you need to provide us with the following information:

(a) USING ACTIVITY/ORGANIZATION - Enter base, organization, office symbol, point of contact (POC), and duty phone (DP).

(b) REPORTING MONTH (PERIOD OF:) - The month you are reporting the supplies/services you ordered.

(c) CONTRACTOR - (example: JOHN DOE CORP)

(d) BPA NUMBER - (example: F61800-99-AF001)

(e) TOTAL NUMBER OF CALLS - (enter the total number of calls made against the BPA)

(f) TOTAL LINE ITEMS - (enter the total number of line items ordered)

(g) TOTAL DOLLAR AMOUNT - (enter the total amount of dollars obligated against the BPA for all calls)

3. Complete the Monthly Report in duplicate. Send the original to the Contracting Office and keep a copy for your file. **Your monthly report along with your call register must reach the contracting office no later than the 25th day of each month.**

SECTION VII – INSPECTIONS

We will inspect your BPA file folders at least semi-annually for compliance with these instructions. Further, it is the Contracting Officer's discretion to cancel a BPA for **non-usage, delinquent decentralized reporting, or improper/poor management of a BPA.**

1. Attachment
 - A. BPA Call Register